

**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
EVENT SUBCOMMITTEE MEETING
Economic Vitality Division Conference Room
4021 N. 75th Street, Suite 102
Scottsdale, Arizona 85251
Tuesday, August 9, 2011
APPROVED MINUTES**

PRESENT: Mike Surguine, Chairman
Ace Bailey

ABSENT: Leon Young

STAFF: Bob Tunis
Steve Geiogamah (departed at 4:42 p.m.)

GUESTS: Brent DeRaad, SCVB

Call to Order/Roll Call

The meeting was called to order at 4:02 p.m.

Mr. Geiogamah reported that Chairwoman Birchler appointed Ace Bailey to replace her on the Event Subcommittee, and noted that Mike Surguine has been appointed Chair moving forward.

1. Event Support Funding Program Applicant Review

Mr. Geiogamah said that the goal of the meeting was to identify which events would be invited to make a presentation to the Tourism Development Commission on August 23, where they will be vetted more thoroughly.

Mr. Geiogamah noted that the event support application was modified in an effort to quantify the difference between each of the three tiers. The major adjustment to Tier 1 is specifying that the event generate at least 3,300 room nights, as identified through third party reports. Tier 2 establishes a minimum threshold of 1,650 identified room nights. This threshold was set by taking the average room rate of \$136.99, and determining the number of room nights necessary to equal the return on investment. Tier 3 identifies no specific room night threshold. Event producers have been made aware of the tier changes.

Mr. DeRaad inquired whether this was still a matching program. Mr. Geiogamah informed him that everything else about the program remains the same, only the threshold requirements changed. Thresholds were set to quantify the City's return on its investment. Committee Member Bailey asked whether new events could ever qualify for Tier 1 or Tier 2 in their first year. Mr. Geiogamah explained that they potentially could, but it would be up to the Event Committee and the TDC to express comfort with the

number of projected room nights. In most cases, it would take time to get an understanding of a new event's impact before higher tier money could be allocated.

Chairman Surguine inquired whether grants could be subject to the event generating a minimum number of room nights. Mr. Geiogamah said the Committee would have to identify the amount events are eligible for up front, because producers set their marketing plans and objectives based on the amount of funding they receive from the program. Mr. Tunis said a good example of a new event that could qualify is an existing event with a strong history of room night generation that decides to relocate to Scottsdale. Chairman Surguine suggested making funding for new events contingent upon producing the number of room nights they claim they will.

Mr. Geiogamah said most of the longstanding events fell within each tier based on their budgets. A few producers felt their events should be tiered higher, but it will be up to the Committee to make that determination. Mr. DeRaad inquired about the amount of money available to help events this year. Mr. Geiogamah said \$150,000 has been set aside for that purpose, but the actual amount is based on what the Committee decides. If the Committee determines that an event provides significant value and warrants an increased budget, they could increase it. Generally, though, the program has been under budget every year. One new event applied this year. The total request for event funding support was \$202,000. An additional \$450,000 to \$550,000 could be made allocated from event development funding.

A. Russo and Steele Sports and Muscle in Scottsdale

Mr. Geiogamah said Russo and Steele's event was held January 19 to 23, 2011. Their attendance increased substantially over 2010, from 15,000 people to 41,000. They estimate over 6,000 room nights were generated. Staff has requested further verification of event room nights provided by the event producer. Current estimate are based on the number of participants who attend the event and show cars. The event producer is requesting \$30,000.

Chairman Surguine said a presentation is not necessary. They are clearly qualified to be part of the event funding program, but the question is whether they are qualified for Tier 1. Committee Member Bailey agreed.

B. 57th Annual Scottsdale Arabian Horse Show

Mr. Geiogamah said attendance last year was 250,000. They use room blocks to determine their room nights, and show 1,720 room nights associated with their event. A 2007 economic impact study demonstrated that the fiscal impact from the event is \$228,000.

Chairman Surguine requested information on the number of years each event has been in Scottsdale and how long they have received event support funding. The Committee saw no need for a presentation.

C. Region 7 Arabian Championship Show

Mr. Geiogamah said the show takes place in April. Last year was the event's sixth year, and they were approved for \$4,600. The amount paid out was \$2,100. This year they are asking for \$4,700. Their 875 room nights are based on hotel property numbers. Estimates show the event's economic impact is \$8,000. The Committee saw no need for a presentation.

D. Scottsdale Classic Futurity and Quarter Horse Show

Mr. Geiogamah said this is generally the first event of the event season. Last year's attendance was 20,000. They tracked 600 room nights through hotel properties, and participants come from 35 states. Last year they utilized \$5,300 in funding. This year they are asking for \$5,568. The Committee saw no need for a presentation.

E. Barrett-Jackson Collector Car Events

The Committee saw no need for a presentation.

F. Celebration of Fine Art

Mr. Geiogamah reported that attendance at this long duration event increased slightly to 56,000. Based on artisan participation, it is estimated to generate 750 room nights. The producer is asking for \$15,000.

Chairman Surguine felt no presentation was necessary, but with only 750 room nights, the event would only qualify for Tier 3. Mr. Geiogamah said that in order to limit the reduction in funding during the tier program first year, this event could receive \$15,000 as requested, with the producers understanding that room nights need to increase or risk losing its tier status. He added that staff is also working with the SCVB to produce a standard economic impact report. Mr. DeRaad explained that the SCVB plans to survey attendees to determine how big an influence the event had on their decision to visit Scottsdale.

Committee Member Bailey asked whether the event employs intercept surveys. Mr. DeRaad said they do, but the SCVB wants to standardize the survey to be able to apply it to many events. Chairman Surguine said it will be important for the Celebration of Fine Art to determine how many of its attendees are tourists versus residents.

Mr. Tunis reported that the event has considered moving from their present location to one on Hayden near the Loop 101. A second art festival is considering a move nearby at the same time. The Committee saw no need for a presentation.

G. Goodguys 14th Southwest Nationals

Mr. Geiogamah said the November show attracts 50,000 attendees. Last year they introduced a spring show. The producers like being at WestWorld, and they work with the SCVB to track room nights, estimating 640 were generated last year. They also rent out a substantial number of RV spaces. The event's fiscal impact is a little over \$7,000. Producers are increasing their ad budget this year to market more regionally and

nationally. They are asking for \$15,000, and received \$14,000 last year. The producer is aware of the potential impact of tiered funding.

Mr. DeRaad said the event is great for locals, but a survey would help determine how many attendees come from out of town. Chairman Surguine questioned how their planned spend on the Arizona Republic would generate out-of-market tourism.

Mr. Geiogamah said he would request details. Chairman Surguine said they would certainly qualify for event funding without a presentation. If the producers later want to build a case for a higher tier, they could. Committee Member Bailey agreed.

H. Scottsdale Culinary Festival

Mr. Geiogamah said event attendance decreased from 37,000 in 2010 to 22,000 this year. The event producer notes 1,700 room nights associated with the event, a number which requires verification. Event support funding has provided the event with \$15,000 per year for a number of years, and they are asking for that much again. It has been a challenge to determine room nights associated with the event. The producers are aware that they need to tighten up their room night calculations.

Chairman Surguine inquired about the attendance decline. Mr. DeRaad responded that the decline is a concern. He said the event draws the type of vibe that the SCVB is looking for, but the producers do not work as closely with the SCVB as they used to. Chairman Surguine requested a presentation to hear their explanations. Committee Member Bailey agreed.

I. Arizona Bike Week

Mr. Geiogamah said this spring event has done a great job of tracking room nights, with over 1,080 generated last year. Their economic impact was about \$13,000, and their request this year is for \$15,000. The event is still focusing on upscale bikers.

Mr. DeRaad said the producers work very well with the SCVB, and are considering a new fall event out of WestWorld. The Committee saw no need for a presentation.

J. Sun Circuit Quarter Horse Show

Mr. Geiogamah said the new producer is moving this event in the right direction from a marketing standpoint, and anticipates spending more money on advertising this year. Attendance increased significantly. Last year they requested \$12,240. The event producer reported 1,362 room nights not including RV spaces at Westworld. Their fiscal impact is about \$15,000. Mr. DeRaad added that the producers work well with the SCVB. The Committee saw no need for a presentation.

K. Women's Half Marathon

Mr. Geiogamah said this was a new event last year. Participation was a little over 4,000, and they identified 360 rooms in hotels where they had room blocks. They are asking for event support funding in the amount of \$16,000. Mr. DeRaad said they did a poor job of tracking room nights last year. They plan an out-of-state advertising program through active.com, totaling \$20,000 this year. The Scottsdale CVB and Tempe CVB are

considering splitting the cost of the \$10,000 match this year in an effort to grow the event.

Chairman Surguine said this event is showing a willingness to invest in growing their brand awareness, and it would be worthwhile to help them, even if the event does not justify such a large event funding allocation. The Committee saw no need for a presentation.

L. American Indian Market

Mr. Geiogamah recused himself from this particular discussion, due to his association with the non-profit group that is putting it on. Mr. Tunis said this is a first time event being organized by the Phoenix Indian Center. It is a native art market with approximately 100 exhibitors, and is scheduled for the Civic Center Mall. They plan to grow it to 150 exhibitors over the next two years. There is no equivalent event anywhere in Arizona, and the main competitor is in Santa Fe. This event has the potential to develop a new market here, and they plan to significantly advertise out of state.

Chairman Surguine inquired whether the SCVB has been involved with this event. Mr. DeRaad answered affirmatively. The market will not be on the same scale as Santa Fe, but has good growth potential. Committee Member Bailey asked whether the event would market to the same exhibitors. Mr. DeRaad said it would encompass the same quality of vendors. The Committee requested a presentation from the producers.

2. **Items from the Floor**

None.

3. **Public Comment**

None.

4. **Adjournment**

The Subcommittee meeting adjourned at 4:46 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz.